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23 March 1972

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MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Ray Cline's Proposal on Economic Intelligence

1. For whatever it is worth, Ray's basic premise in the proposal he left with you is in my opinion a very tenuous one. He says that the NSCIDs "have assigned a primary responsibility" to State for Free World intelligence and thus takes off from this to try to stake out a much broader position than he has.

2. The new NSCID #3 reads in part:

"7a. ... State shall produce ... economic intelligence on countries of the Free World."

In paragraph 7c it reads, "The Central Intelligence Agency shall produce economic, scientific and technical intelligence."

3. I don't think this gives State primacy in the economic field at all, and I don't think it was intended to do so. In fact, it restricts State, in that it confines the Department to Free World economic intelligence whereas CIA has no such restriction. In the NSCID which has just been superseded, CIA was restricted to the Bloc.

4. Another point in Ray's memorandum which is perhaps more amusing than anything else, is his assertion that the State Department should chair his proposed new committee since CIA chairs the USIB.

State Department review completed

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cc: DD/I

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